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Edinburgh

1874

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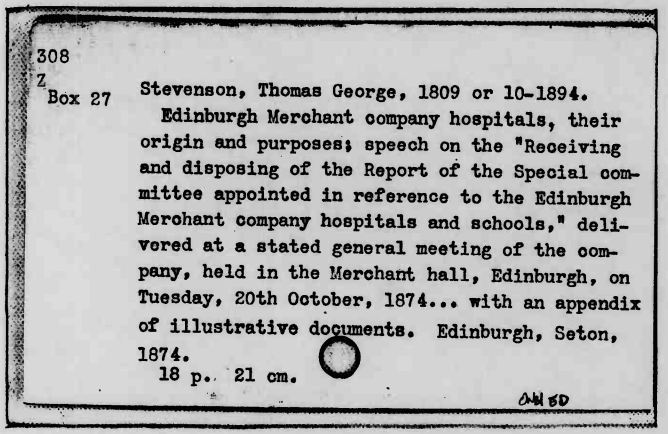

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# Edinburgh Merchant Company Hospitals:

## THEIR ORIGIN AND PURPOSES.

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# SPEECH

ON THE

"RECEIVING AND DISPOSING OF THE REPORT OF THE SPECIAL COMMITTEE APPOINTED IN REFERENCE TO THE EDINBURGH MERCHANT COMPANY HOSPITALS AND SCHOOLS,"

DELIVERED AT

A STATED GENERAL MEETING OF THE COMPANY HELD IN THE MERCHANT HALL, EDINBURGH, ON TUESDAY, 20TH OCTOBER, 1874,

BY

THOMAS GEORGE STEVENSON,
*Bookseller and Publisher,*
MEMBER OF THE EDINBURGH MERCHANT COMPANY.

WITH AN APPENDIX OF ILLUSTRATIVE DOCUMENTS.

EDINBURGH:
SETON AND MACKENZIE.
M.DCCC.LXXIV.

# NOTICES OF MOTIONS.

TUESDAY, 12TH MAY 1874.

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I.—By Mr. ROBERT PATERSON:

"That a Committee, which shall consist of the Master, and Treasurer, four Assistants, with six Members of the Company, be appointed to consider and report (1.) On the financial position of Daniel Stewart's Trust, the Merchant Maiden Hospital, George Watson's Trust, and James Gillespie's Trust; (2.) Whether the funds of these Trusts are being administered in accordance with the desire of the Testators, and with justice to the various classes of persons whom the said Testators intended to be the recipients of their bounty; (3) What changes they recommend in regard to the administration of any or all of these Trusts. That the Master, Treasurer, and Assistants of the Merchant Company are hereby requested to give said Committee access to all books, accounts, and documents they may call for, and to procure for the Committee returns showing such information as they may require. The Committee is hereby authorized to take such professional assistance as they may think proper to enable them to ascertain authoritatively the *legal* and *financial* position of said trusts."

2.—By Mr. THOMAS GEORGE STEVENSON:

"GILLESPIE'S HOSPITAL AND SCHOOL.—That as the "Provisional Orders" which were obtained on 3d June, 1870, are not imperative, but merely permissive, that the same be suspended from and after 1st September next; and that the Master, Treasurer, and Assistants, as the representative Managers for the Merchant Company of the Trust funds and estate of James Gillespie, they be instructed and empowered to close the existing School for "boys and girls" at the end of the present session, 1873-4, so that measures may be adopted whereby the Hospital or Home for Indigent Old Men and Women, as originally founded and endowed by James Gillespie, shall again be restored, and arrangements made for the re-occupation of the old house by the beneficiaries, and for the future management thereof; further, that the aforesaid managers shall be authorized and empowered to re-open the Free School, or to hand over the same, together with the sum of £200, which was yearly allowed for the support and maintenance of such, to the School Board all in accordance with the terms and conditions of the said James Gillespie's Trust Settlements."

**[The consideration of this motion is held in abeyance until it shall be seen what the results of Mr. Paterson's Special Committee of Inquiry may have upon the future system of management of the various Hospitals.]**

# SPEECH OF THOMAS GEORGE STEVENSON AT THE MEETING OF THE EDINBURGH MERCHANT COMPANY, ON TUESDAY, 20TH OCTOBER 1874.

THE stated General Meeting of this Company was held this day, "to receive and dispose of Report by the Committee appointed to inquire into the Hospitals and Schools" which are under their care and management.

Mr. HUGH ROSE (Oil Merchant, Leith Walk) moved, "That the Resolutions approved of by the Committee should be adopted by the Company, and notice thereof sent to the Governors of the various Hospitals and Institutions for their consideration and adoption."

Mr. ROBERT PATERSON (Architect and City Assessor, Hanover Street) seconded the motion.

Mr. THOMAS GEORGE STEVENSON (Bookseller and Publisher, Frederick Street, Edinburgh) then proceeded to remark, that our meeting this day may, without any impropriety, very properly be denominated the First Quinquennial Inspection or Grand Review Day of the affairs of the Four Hospitals which are under the management of this Company.

The Report of the Special Committee which has been placed in our hands cannot be characterised as that of one having either justice, equity, or righteousness on its side. It appears as if it had been drawn up without having any fixed plan of action, or even with the slightest regard to the great and important interests involved. To all appearance the investigations of the Committee have been partial and not thorough, consequently it is defective. Indeed, considering the whole subject matter involved, such a Report can give neither credit nor honour to their proceedings. It is a piece of pure shilly-shallying, and its results are such that they will never be brought into operation. It has been a mountain in labour for five long months, and the sole produce thereof is now to be found within the limits of the four corners of two small printed pages.

Before however proceeding to make some observations, and to offer a few remarks on the subject matters which are before us this day, I am anxious to know, and therefore have to ask through your Clerk, who is also the Law Agent for this Company, if he will tell us whether or not the "Provisional Orders" are what is termed "legally imperative and binding" or "merely permissive" in one and on all occasions, and fully and entirely applicable to the affairs of each of the four different Institutions?

[Mr. A. K. MACKIE, the Clerk and Law Agent, said "that the orders, except in so far as third parties were concerned,

*were not imperative and binding.* They might come to be of opinion that it was not advisable to continue the Schools, and they had the power to discontinue them."]

Then, again, I find by Mr. PATERSON's motion, that the Committee were authorised to take such professional assistance as they might think proper to enable them to ascertain authoritatively the legal and financial position of said trusts. Now, I ask, was such legal opinion asked and obtained?

[The reply was "Yes." But it has since been ascertained that such was *not* got from any of the leading Counsel at the Bar.]

This Paper or Report by the Committee is to my mind no Report at all, the definition of the word "Report" being, "an account, to tell or relate," therefore I consider that this one cannot be held to be so in any manner of way whatever. Keeping in view the terms of Mr. PATERSON's motion, and that of its real import, this Paper appears to be neither more nor less than a series—with one or two small exceptions—of weakly, ill drawn-up, and inconclusive suggestions, with recommendations upon matters that Mr. PATERSON's motion never called for, or what was either expected or wished for. For instance, the first and second heads of the motion are, "To consider and report (1.) on the financial position of Daniel Stewart's Trust, the Merchant Maiden Hospital, George Watson's Trust, and James Gillespie's Trust;" and (2.) "Whether the funds of these trusts are being administered in accordance with the desire of the Testators, and with justice to the various classes of persons whom the said Testators intended to be the recipients of their bounty."

Now, I ask, where are we to discover in this said Report any findings, replies, or expositions to both of these very important and truly necessitous cases or points? I for one have entirely failed to find them. We are told that the Committee are of opinion and recommend to the Company (No. 1.) "That it is most desirable that the number of Foundationers *prescribed by the Provisional Orders should be maintained.*"

Now, I ask, what is the inference here, because in our printed accounts it is there shown that in these several Institutions there are *now* two classes—one being by destitution and the other by merit—which of these two classes is it that is to be maintained in future? No. 2 tells us "that the capital of some of the Hospitals appears to have been encroached upon more or less," and that "it is desirable that the amount encroached upon *shall* be ascertained and fixed by the Accountant, should, now that the Schools are established, be *refunded by annual instalments.*" These are equally strange and remarkable statements thus made to us. Why, that Financial Statement ought to have been made up and produced to the Committee in the course of their five months' labours, so that



they would then have seen and known the real state of matters. Has it been forgot that we have already in our hands the Accounts of the various Hospitals which were rendered to us for the year 1869–70 to that of 1872–73 inclusive, along with the appended notes of the Accountant, telling the Governors and also ourselves of the then state of the funds, and calling upon them to provide a remedy for the deficiencies, and that with as little delay as possible. This is certainly a funny business.

No. 3 informs us that "the Committee recommend to the Company *to suggest* to the Governors that *before* issuing the Prospectus of the Schools, for *each session* there should be prepared for *their guidance* an estimate of the income and expenditure *for the ensuing year*, including the amount of instalment towards refunding capital."

Now I humbly think that the individual who has to propose such a document will not have an easy duty to perform. Who, I ask, in the fluctuating condition every quarter of these Schools, can or would be able to tell what the income and expenditure for the ensuing year will be? It is the height of folly ever to expect such.

Again, No. 4 recommends "that in the admission to the Merchant Company Schools, a preference should be given (*first*) to children and grandchildren of members of the Merchant Company; and (*second*) to the children of families connected with Edinburgh, Leith, and suburbs." Now what is really intended here? Is it that those very children who have been for these four years past kept in the rear are in future to be brought forward to the front rank, and there to take close order, so that thereby the recruits from Gala Water, Linlithgow, Dalkeith, Musselburgh, Fife, Peterhead, and Australia, shall be placed in the rear ranks—at quarter distance.

No. 8 remarks "that in respect legacies have been left to the Hospital other than that of James Gillespie, and that *these* may be fairly held to be free from his restriction, *it should be in the power of the Governors to admit a limited number of out-pensioners.*" Now, in a word, I must ask, what is the real meaning of this singularly worded suggestion or recommendation?

Will the Committee, or the party who drew up such a "Note of Finding" come forth and tell to the meeting what was really and truly James Gillespie's Hospital in all its various aspects from the time of its erection to that of the year 1870. If so, we will then be enabled to decide whether or not this proposed latitudinarianism can be allowed or granted.

I am, therefore, constrained to say, that the Report, or "Notes of the Findings" of the said special Committee—the results of their five months' deliberations — may be considered by some as a fine and very clever piece of diplomacy —a merit which perhaps after all it will really be discovered

fully to possess— yet it is on the other hand so strangely expressed, that it is, in a great measure, unintelligible, and equally incomprehensible, no date being fixed when the proposals or recommendations offered are to come into operation, or even by what means and devices such are to be most efficiently carried out. To my mind they are all equally unworkable, and, consequently, there is every probability that not one of them will ever be carried into effect. Yet, notwithstanding these defects, the paper is interesting, and may be found of essential service very shortly. Apparently it has been resolved to withhold from the members the various documents, financial and otherwise, upon which the Report or findings have been founded, therefore I am at a loss to discover upon what grounds and data the Committee have gone so as to arrive at the decisions or recommendations as now reported. Can it have been upon the strength of the various Trust Deeds and Charters of Incorporation, and that of their inviolability, or was it merely upon the faith of the supposed legality of those rickety Provisional Orders of which some parties are so particularly fond? The inference is that it has been solely if not entirely upon the latter. The withholding of the papers is an act which cannot redound to the credit or honour of the Committee. Such a line of procedure, I humbly think, is neither prudent, commendable, or even judicious. However, by the procedure adopted at our last meeting, I have been fully prepared for such a result, hence the anticipated disappointment has been made small.

Sectionally the paper is instructive; but as a whole it is of very little consequence or value, because it does not really and truly bring out and show to us the real state and condition in which these charitable and benevolently designed Hospitals and their funds are at present placed. Neither does such afford us much hope of their being speedily restored to the original purposes for which they were founded and erected. With me the real grand and important question is this—Shall these Hospitals be restored to the purposes for which they were originally designed and appointed? Shall the funds thereunto belonging be protected in the future for the benefit of those for whom such were bequeathed; and, further, shall our purchased and legal rights and privileges, which have been unjustly invaded, and thereby lost, be again recovered for the benefit of our children and grandchildren?

The subject for our deliberations this day is one therefore of considerable and vast importance. The honour and credit of this Company, as the accepting Trustees and Guardians of four of the designed public, charitable, and benevolent institutions in this city, are most unquestionably at stake, and, consequently, deserve the best and most earnest attention and consideration of all the members. It is neither more nor less



than that of the recovery and future preservation of their own and that of their fellow-citizens' rights and privileges, of which they have during these five bye-past years been most unjustly deprived. I wish to impress upon the minds of the members of this Company that the four Hospitals are not the properties of the Merchant Company, or such as they can make a common good of, or can even shunt about as the Managers for the time being may think proper.

They are Trust Estates, which were offered, conveyed, or transferred to this Company's care and management upon certain well-defined conditions, with rules and statutes and strictly enjoined duties and responsibilities, solely for charitable and benevolent purposes, and for behoof of the aged poor and the destitute young of the city of Edinburgh and suburbs, and which upon acceptance the Merchant Company were paid certain sums of money for consenting and undertaking to fulfil the various obligations implied.

When the "Endowed Hospitals of Scotland Bill" was introduced into the House of Commons,* the Government most distinctly stated and declared that from information which they had received they were led to believe that the Endowed Institutions in Scotland were possessed of large surplus funds for which they had no outlet, and that moreover the number of the applicants for the benefits were exceedingly limited. Upon the debate which followed and in committee it was stated that the said Bill was merely permissive, not imperative, and an assurance was also given that Trust Deeds and Charters of Incorporation were all to remain intact, and also that all of the benefits, rights, and privileges as at then presently enjoyed were preserved and protected. The Bill being designed solely for the purpose of allowing such surplus funds to be made available, nothing more, and the said Act was only to be in existence for the space of two years from and after the date of its being passed. To my mind there is no ambiguity in the Act of Parliament; and, moreover, Parliament has declared, and the various Courts in this country have decided, that the Will of every founder ought to be carried into effect when the object was well ascertained, and the trusts created were for the benefit of the community at large. Then, again, Lord Napier, in his address delivered in Glasgow a few days ago, remarked, in respect to charitable and educational endowments, and how such were applied. "That the Will of the founder, the voice of the dead, had not lost its power in the imaginations of Englishmen. If the purpose of the bequest were altogether frivolous, mischievous, or superannuated, it would be set aside and some good object substituted; but wherever it was fairly practicable the primitive destination would be sustained, and in mixed and difficult cases something of the

* *Vide* Hansard's Parliamentary Debates, 1869-70

original design would be permitted to survive. Local interests would make themselves respected."

In the Petitions which this Company sent to the Home Secretary asking for Provisional Orders, the words "Surplus Funds" are specially made use of. Moreover, in addition to a variety of over-plausable and highly-coloured statements, the Government were informed that the capital funds of the Hospitals amounted to the sum of £520,972; that the free revenue was £12,000, but upon an assumption that certain things in futurity were to happen, then the revenue was to be £14,600 yearly. Well then, we now know that all these glowing statements and results have not been as yet made good. When the proposals for these Provisional Orders were originally brought under the notice of the members of this Company, I directed the attention of the meeting to various matters therein contained, which I thought were highly objectionable, and endeavoured to show the members that if such were allowed to pass, their rights and privileges, for which they had paid large sums of money, would be invaded, and their interests much injured, and that apparently the whole of the benefits of the Four Hospitals were going to be taken away from us and all those for whom the funds were originally left, and thrown open to the public at large—parties that the donors never contemplated or intended to be benefitted by them or that of their friends in any manner of way whatever. But I was told that nothing of the kind was to be done, and that my objections were futile. Alas the results have now been seen, and my prognostications have turned out to be true, much too true. We have lost our rights and privileges, and the children's bread has been given to strangers, from whatever quarters of the globe they may come. I opposed these wild and uncalled for schemes from the first, and have continued to do so, and to watch after their working up to the present time. I protested against the money which had been left specially for charitable purposes being made use of for the affording a cheap education to the children of the middle classes of this city and adjoining counties—parties for whom the funds were never intended or devised; and I also objected to the funds of Daniel Stewart—which were left solely for behoof of destitute boys—being made use of for the endowment of a Chair of Commercial Education in the University of this city. The objects of our foundations were solely and entirely designed for to relieve the needy, and to soothe the aged and infirm in their declining years; and the benefactions were also for the purpose of maintaining and educating the children of the poor and indigent, including those of the children and grandchildren of the members of this Company. This city has long been indebted to the munificence of her benevolent dead, the effect and influence of which it was impossible duly to estimate. Seeing



how the funds of our Institutions have been managed latterly—diverted and wasted—it can never be expected that anyone would ever think of leaving their money or properties to the care of us, the Merchant Company of the city of Edinburgh.

The Provisional Orders were got, and we also have now some little knowledge of the cost thereof, and how they have since been worked out, the distress which such has occasioned, and the great loss that has been sustained to the funds of the Hospitals in consequence thereof.

The Act of Parliament under which these Provisional Orders were obtained did not in any manner of way whatever abrogate the Trust Deeds or Charters of Incorporation. Neither does your Provisional Orders invalidate them. Although, on the other hand, if powers and authority were got whereby the usefulness and efficiency of our Institutions or Hospitals may be increased, and the benefits extended, it was never understood or even contemplated or allowed that all such was to be done at the expense, and to the great detriment of the beneficiaries. It appears to me that the extension of the benefits was only to be made from out of surplus funds, the capitals being kept intact and inviolable—nothing more.

We never had any surplus funds; indeed, by the constitutions of these Hospitals we should not, because it was declared that as the funds increased the number of the beneficiaries was also to be increased in proportion thereto. Heriot's Hospital built their schools out of surplus funds, and they are engaged presently building four more; while, again, the School Board are to build other seven at the expense of the ratepayers of this city. There is therefore, I humbly think, no call whatever upon us to do as we have been doing for these four years past, or even continuing to do so now. I ask you, Are the founders' Wills not to be respected? It has been well said if the House of Commons were to disregard the Wills of founders who many long years ago left private property to private Institutions, they would strike a most fatal blow at the security of property in this country. I repeat and ask again, What charitable minded person would ever, looking at what we have done and that which has been going on within our Hospitals, think of leaving his means or entrusting his funds for the benefit of any one of the charities that are at present under our charge.

Although it has not been directly stated in the Report or "Notes of findings," yet it may be fully inferred, that upon investigation all of the various allegations made during the four bye-past years by me as to the condition of these Hospitals, and that of the reduced and distressed state of their funds, must have been found to be much too true. Then, again, in reference to the findings as to the publication of the yearly accounts. All the members must be well aware, that during these last 20

years I have again and again brought under their notice the unsatisfactory and unintelligible condition in which the Accounts were furnished to the members. But, alas, these complaints of mine were in general treated with great indifference, showing thereby that anything asked for by me was not to be granted. However the dawn of another day has arrived, cases of real necessity have been discovered, redress is imperatively called for, and we are now informed "that in future the Accounts of the various Institutions connected with the Merchant Company should be made up so as to show distinctly the income and expenditure of each Institution, and each department thereof." Such a declaration coming as it were from headquarters, affords me some little pleasure, so much so, that I feel such is a great victory gained in an open and honest warfare.

Further, I have to remark that it is certainly a grand, but strange conception, that after the funds of the Hospitals have been misappropriated, misspent, wasted, and lost, that the said Hospitals are to be now called upon to refund and make good to themselves the deficiencies that have therein arisen. Such a finding is only fit to be laughed at. Nay, more, it is also recommended that at least one "Industrial School" be established by two of these Hospitals so soon as the expected increased revenue will admit. Where, I ask, are the funds required for such purposes to come from? The mode of procedure appears to me to be neither more nor less than that of the old saying, 'a robbing of Peter to pay Paul," or in other words, "a new way of paying old debts." This is a part of the subject matter which truly calls for the most serious attention and consideration of the members. My views on this point are simply these, that the Merchant Company are the sole Trustees of the four Hospitals. It is themselves who appoint and elect the great majority of the Managers or Governers thereof, but as Trustees they have entirely failed to exercise a proper surveilance and control over their Managers, and have never called upon them for any explanations as to their proceedings in respect to the disposal of the large funds of any one of those Hospitals with which they were entrusted, then I say that if these Managers are not personally, jointly, and severally liable for their misdeeds, then the Trustees who appointed them are, and the funds of this Company may eventually be required to make good the losses which have been sustained by these various charities.

The Managers or Governors—to our shame be it said, and it is too well known—have long had an unlimited command of the funds of these Institutions, and the results have been a fearful, reckless, and wasteful extravagance, the "self-denying ordinance" being evaded, trampled upon, and cast to the winds, and all kinds of jobbing and misdoings have been going on without the consent, approval, or even knowledge of this Company, the real Trustees, to whom no appeal has ever been made on the subject. Those who manage the business of these Institutions must be made to understand that they cannot, even for a seeming benefit to the public, set themselves above or beyond the limits assigned to them by the terms of the respective Trust Deeds or Charters of Incorporation, and that of the Rules and Statutes of the founders, which are the only real and sole powers under which they are truly and lawfully empowered to act.



As respects the proposal for a semi-restoration of James Gillespie's Hospital, that I consider to be nothing short of a piece of idiotic absurdity, because before such can be undertaken and carried out, the present School must undoubtedly be entirely abolished. But this apparently is not contemplated by the Committee at this present time. In a word, there cannot, in my opinion, be a restoration of one Hospital, for all of the four must and shall be restored to the purposes for which they were all originally founded and erected, or none of them. I am led to understand that this paper of findings is to be sent down to the Managers or Governors of the various Hospitals for their consideration and adoption. This line of proceeding is, in my opinion, equally futile. Indeed, I am much surprised that any one member of this Company would give the slightest credence to the great and unwarrantable assumption that these Hospitals are separate and distinct Corporations beyond the control of this Company, and that we the members have no right in any manner of way whatever to call in question the proceedings of the Managers thereof. Such ideas at this period of the nineteenth century are frightfully ridiculous. The very recent circumstance of this Company being asked, then consenting to and granting the Committee of Inquiry, and thereafter electing the members thereof, and now accepting of that committee's findings, proposals, and recommendations, proves conclusively, to my mind, that the members have the undoubted right and power to look into the affairs of all of these Hospitals whenever they may so desire. Nay, further, although these Hospitals and their benefits have all been invaded and swallowed up, yet they have nevertheless arisen again like another Phœnix, and now appear under the grand and dignified name of "The Edinburgh Merchant Company Schools."

Apparently it has been resolved, trusting to the chapter of accidents, to go on as before, misappropriating and misspending funds which were left solely for charitable and benevolent purposes on behalf of the aged poor and the destitute young of the city, to that of extending education to the children of the middle classes of society, to the benefits of which we are told all children are eligible come from any part of the world they may.

Without the relative and illustrative financial papers upon which this Report has been founded being produced, I for one decline to be bound in any manner whatever thereby, and consequently refuse to accept of such as a settlement of the disputes in reference to the mismanagement of the funds, and the consequent destruction of these Hospitals, proofs of all which are accessible, and will in due time be produced. I consider that the various proposals, recommendations, or findings are so ridiculous and highly inconsistent with each other, that it is of no use for me to enter into any further discussion on the subject. The findings appear to my mind intrinsically not worth the price of the paper on which they are printed.

I take my stand upon the Trust Deeds and Charters of Incorporation under which we are constituted and only empowered to act, and I challenge you and every member of this Company, and even our Law Agent, to prove that the Act of Parliament repealed or rescinded, or that your Provisional Orders invalidate any one or all of these valuable Deeds. We have broken all of the Trust Deeds, also diverted the funds, misappropriated and misspent them, and even brought our Institutions into debt, with large claims still remaining unsettled, and I say that it is unjust, nay unlawful, to take the funds which were left for charitable and benevolent purposes to endow or to supply a semi-pauper education for the children of the middle and upper classes, not only of Edinburgh but even those of the various counties around, at the expense and loss of the aged and also of the destitute children of the citizens and Burgesses and Guildbrethren of Edinburgh. Nay, more, you have already greatly disobeyed and broken your Provisional Orders in many important respects, as can be easily proved from the Minutes and Accounts of the different Hospitals, which have been placed annually in your hands.

At present I will not detain the meeting longer by entering into any discussion on these matters. I will merely remark that I have all along taken up this business purely on public grounds, and I still continue on precisely the same footing, my sole aim being that of the preservation of the founders' orders and instructions, and that of the protection of the funds for the benefit of those for whom such were originally devised. Moreover, I have scrupulously refrained from making any statement of which I had not knowledge, or for which I could not point to authority. You apparently are resolved to go on and continue in the course which you have been pursuing, a line of conduct which I consider to be unjustifiable, discreditable, and dishonourable to this Company as the Trustees of these public charities. I will make no motion, because I feel within my own heart that on nearly all occasions every suggestion, complaint, remonstrance, or proposal of mine has hitherto had an unfavourable reception and interpretation.



You refused me access to your Minute Books and Accounts on every one of my applications, and every obstacle has been thrown in my way so as to prevent me from finding out the system of management, and how the funds of the Institutions have been made use of during these five years past. Your reasons for all this I cannot understand, and can only place it to what is called personal animosity. Convinced in my own mind that those charitable funds have been misappropriated, and that the misapplication of such is still to be continued, I will now remove my complaints from this place in which there has been long meted out to me much of injustice, coupled with great arrogance, and a fearful amount of self-sufficiency, into that hall of justice and equity which is a few yards beyond this, when we shall very shortly learn whether or not this Company can lay hold of funds which were entrusted to their care and management for charitable and benevolent purposes and make use of them for schemes entirely contrary to the expressed desires and orders of the donors, and if funds designed for the benefits of the aged poor and the education and maintenance of destitute children can be devoted to the upholding of what you are pleased to call elementary or primary schools for boys and girls of a class for whom such were never intended, and for the purpose of supporting a Chair of Commercial and Political Economy in the University of Edinburgh. Nay, more, we will in addition find out what position this Company really holds in respect to these Hospitals, and the funds thereof, and whether or not the Managers or Governors are entitled to traffic with the funds as they please and have been doing in the selling, buying, building, feuing, and leasing of properties without the consent, approval, or even knowledge of the Trustees--the Merchant Company of Edinburgh.

It cannot be doubted that owing to the great apathy which has far too long existed among the members, the management of our affairs and that of the selection of officials are almost all left in the hands of a very few persons, and from the manner in which our rules have been and are still worked out, many of these same parties are thereby kept in office and in power for the period of from eight to eleven and twelve years continuously. Such a system ought not to be allowed to exist any longer.

My object is if possible to stir up and influence the members, together with those who are Burgesses and Guildbrethren, and that of the citizens generally, to take a deeper interest in the affairs of this Company, and also in those of the various Charities under our management, to the entire privileges and benefits of which unquestionably they have all full and legal rights.

If the situation in which I now find myself be such that no member of this Company will come forward and give me their countenance and support, I will endeavour to fight the battle myself, fondly trusting that right will at last triumphantly overcome might.

# APPENDIX.

## I.—LETTER TO THE EDITOR OF THE "EDINBURGH COURANT."

### MERCHANT COMPANY HOSPITALS—THEIR ORIGIN AND PURPOSES.

AN APPEAL TO THE BURGESSES AND GUILDBRETHREN, AND THE CITIZENS OF EDINBURGH GENERALLY.

22 Frederick Street, October 15, 1874.

SIR,—The subject of the present condition, management, and state of the funds of the hospitals which are under the charge and control of the Merchant Company of this city has lately occasioned a considerable amount of interest in connection with what is held to be a great departure from the contracts, rules, and statutes as originally devised and declared by the respective donors—the diverting, misappropriation, and misspending of the funds, to the loss and great injury of the poor, aged and young destitute beneficiaries of this city. The "report of the special committee" that was appointed some months ago to enquire into the affairs of these trust estates has now been issued to the members, the import of which will most unquestionably lead to rather an interesting and instructive discussion at the first meeting of the Merchant Company. The topic is one possessing a good deal of general interest and importance, so much so, that some additional remarks may, therefore, not be unsuitable for discussion in the *Courant*. With this view I beg to subjoin short notices of the origin and purposes of these (*once*) charitable and benevolent institutions.

MERCHANT MAIDEN HOSPITAL.—This charitable foundation was erected "for maintaining and educating *poor* young children of the female sex whose parents are unable to maintain them, or that the children have not whereupon to maintain themselves;" and "the governors are strictly required *on their conscience* to choose *none* but such as are objects of this charity. Moreover, as respects the "Rules of the Hospital," the governors were commanded, "in the alterations or innovations or adding thereto, to keep always the *original* purpose of the institution in view." The number of children "to be those that the stated and clear revenue will easily maintain and educate." The building to be called the "Maiden Hospital," and shall be described by this designation and *no other*." This institution "was founded and endowed mainly by the members of the Merchant Company, and for their own class." Moreover, "the Merchant Company have accordingly always considered this hospital as in some degree their own property."

[NOTE.—In 1868–69, the number of "Foundationers residing in the Hospital" was 75, with 21 "Day Boarders, paying an annual fee of ten guineas each." In 1872–73, the number was 67, of these 23 resided in the "Boarding Houses, Royal Crescent, and 34 were "being boarded with private families;" 10 of these being "Foundationers," who were "elected on competitive examination."]

GEORGE WATSON'S HOSPITAL.—The funds of the donor were left for the express purpose of "raising a new hospital for entertaining and educating of the male children and grandchildren of decayed merchants in Edinburgh, which hospital is to be called *in all succeeding generations* George Watson's Hospital," and "that the same is to be for the relief, maintenance, and for instruction in the principles of our holy Christian religion, and education in letters of the male children and grandchildren of decayed merchants, burgesses and guildbrothers of Edinburgh, particularly those of the Merchant Company, or of the ministers of the Old Church of Edinburgh, and those of the name of Watson and Davidson, *for whom alone the benefits of this hospital are unalterably appointed;*" declaring further, "that *no part* of the stock or profits thereof shall be applied *otherwise* than for the use and benefit of the said hospital, all which we declare to be fundamental, perpetual, and *unalterable* rules of this hospital." Moreover, "it is expressly provided, and seeing the intention of this foundation is *only to relieve the poor*, none are to be chosen until there be proper certificates of their indigent circumstances, and that they are truly objects of this charity; and the consciences of the governors are hereby strictly charged not to choose any boys but such as are proper objects of their charity." Again, "the Governors are recommended *not to receive into the hospital* a greater number of boys than the thus stated and certain revenue of the hospital *will easily maintain*, with a reserve of such certain part of the certain revenue for defraying accidents and *paying apprentice fees*." &c.; with an additional proviso, "that if the boys behave themselves faithfully during the years of their apprenticeship, and till they arrive at the age of twenty-five years complete, living unmarried, or being married with consent of the governors, and then free of debt and every unworthy engagement, they shall each of them have the sum of fifty pounds sterling given them to set up or begin to trade with within the city of Edinburgh and suburbs thereof." The "apprentice fee" payable to each boy, was "a sum not exceeding one hundred pounds sterling, by yearly instalments." But this sum was in the year 1842 *restricted* "to fifty pounds, payable in equal instalments during the currency of their indenture." The governors "before entering on the administration, are all to qualify, and charged by the oath they take not only to observe the statutes themselves, but to cause the same be strictly kept and observed by all under care and directions." By an Act of Parliament obtained in the year 1852, "the governors were authorised to elect and receive *into the hospital such numbers of non-resident day scholars* as the income or revenue of the hospital shall from time to time prove sufficient for." By the "Provisional Order of 1870," power is now given "to elect, admit, and receive *into the day school*, there to be educated, *along with the foundationers*, and *on payment of such moderate fees* as the governors may fix such number of day scholars as they may select as suitable and as can be conveniently accommodated.

[NOTE.—In 1868–69 the number of "Foundationers residing in the Hospital" was 80. In 1872–73 the number was 51. Of these 12 reside in the "Boarding House, Home Lodge, Viewforth," and 39 are "boarded with private families," 19 of them being "Foundationers" who were elected by competitive examination.]

JAMES GILLESPIE'S HOSPITAL AND FREE SCHOOL.—The designs of this endowment were expressly declared to be "for the special intent and purpose of founding and endowing an hospital or charitable institution within the city of Edinburgh or suburbs, for the aliment and maintenance of old men and women, a preference being given to persons of the name of Gillespie from whatsoever part of Scotland, and which hospital should always be called, denominated and described by the name of James Gillespie's Hospital." In addition to this, funds were also left "for the purpose of erecting and endowing a charitable or free school for the education of one hundred poor boys, and a perpetual salary to the master and assistants of the said school"—it being expressly declared that "in *no case whatsoever* shall a governor be taken as an obligant, *nor shall any of the money* belonging to the hospital *be lent to a governor*, nor *any of the land* or other property be let to him in lease; nor shall it be in the power of any person to whom the heritable property may be let to assign his lease to a governor;" and further, that *out-pensioners are not to be admitted on any account*." The governors, "on admission, and before they enter on the exercise of their office," were to sign a declaration that they will faithfully and diligently perform the duties of their office, so as to carry into effect the intentions of the founder;" and that "the number of persons to be *constantly maintained in the house* shall be so many as the revenue of the hospital can conveniently support." Moreover, that "in case any alterations or improvement should be found necessary on the rules and statutes of the said hospital and school, the power of altering them and improving them shall devolve on the Merchant Company. But they, keeping always in view the *original* intentions of said hospital and school, which are, that persons, men or women of fifty-five years of age and upwards, *are to have the benefit of said hospital*, and *boys* not under six nor above twelve years of age *to have the benefit of the said free school*." Upon their acceptance of these trusts the Merchant Company was paid the sum of five hundred pounds sterling.

[NOTE.—In 1868-69, the number of "Foundationers residing in the Hospital" was 41. In 1872-73 the number was 44. Of these 6 are "boarded in the old School-House." and 26 are being "boarded with friends at £25 per annum," while 12 are "out-door pensioners," with an allowance of £10 per annum. At May 1874 the 6 poor old people boarded in the "old School-House" were *compelled* to leave that "Home," and to provide themselves with other lodgings wheresoever they might please, because the building was to be taken down, the same being sold, and the site thereof feued by the Governors to "The Scottish Lands and Buildings Company (Limited)," the "Honorary Treasurer" and the "Land Adviser" to the Hospital being two of the most active shareholders of the said Company. The services of the "Matron" have now been dispensed with and the Free School abolished; deliberate evasions of even the "Provisional Order."]

DANIEL STEWART'S HOSPITAL.—The properties and funds of this donor were left to trustees who were empowered "to purchase a piece of suitable ground, either in the city of Edinburgh, or suburbs thereof, and to erect thereon an hospital for the aliment, maintenance, and education of *poor boys*, and to furnish the said hospital with neat, good, and sufficient furniture, such as they shall deem suitable and proper for such building and institution;" declaring that the said building "*was to be called in all time coming*, Daniel Stewart's Hospital," for the "relief, maintenance, and education, *first*, of poor boys of the name of Stewart; *next*, poor boys of the name of Macfarlane; *after them*, poor boys in general of any other name residing within the city of Edinburgh or suburbs, till the whole number of boys are made up and completed *which the trust funds shall be sufficient adequately and properly to clothe, educate, and maintain in the said hospital*, the clothing to be worn and used daily by the boys to be 'blue' in all time coming; and that the teachers and children were to attend public worship regularly on the Lord's Day in some of the Established churches *situated next to* the said hospital, and that proper accommodation be therein provided for them for that purpose." All of these instructions, orders, and directions having been duly carried into effect, and the hospital opened, the trustees were empowered to carry on the affairs of the hospital for the space of five years thereafter, and then to denude themselves of the trust in favour of "perpetual governors," who were to be, first, "the Merchant Company of Edinburgh," whom failing, "the managers of any other public institution in Edinburgh, as they (the trustees) shall judge fit."—The Merchant Campany having accepted of the trust, they were paid the sum of three hundred pounds sterling for so doing.

[NOTE.—In 1868–69 the number of "Foundationers residing in the Hospital" was 68. In 1872-73 the number was 30, of these 15 were "Foundationers by election," and 15 were "by merit." All of these are now boarded out with private families. Three-fourths of the Hospital have been shut up and closed for upwards of these two years and a half bye past. The Household Furnishings, along with the Beds and Bedding, &c. have also been sold by auction, or otherwise disposed of. The services of the "Matron" have been dispensed with; a deliberate evasion of even the "Provisional Order."]

GEORGE GRINDLAY'S TRUST.—The revenue of this estate is paid over in equal proportions to the "Merchant Maiden and George Watson's Hospitals" respectively, as the same is received, for the use, education, clothing, and maintenance of the girls and boys who are the inmates of these institutions.

In conclusion, it may perhaps be remarked that from the present state of the affairs of these hospitals, and also the extreme views held and expressed by several of the managers in respect to the powers which they think they now possess in virtue of the "Provisional Order" obtained in 1870, are such, that very probably the great question as to the "validity of the original trust-deeds and charters of corporation," under which alone the trustees and their managers are only empowered to act, with that of the conditions of the said "Provisional Order," will require to be settled through the medium of an appeal to the Court of Session, and that with as little delay as possible. The interests involved are great and important, the benefits are equally large; and if anything that has been said is in any degree the means of inducing abler and more qualified parties to pursue the matter, the object of the publication will have been obtained.

Assistance and co-operation are required and solicited, so that the lost benefits, rights, and privileges of the whole members of the company, and those of the poor and needy beneficiaries of this city, may be recovered, and the institutions, as *originally* founded and erected, restored, preserved, and protected for the future. —I am, &c.

THOS. G. STEVENSON,

A Member of the Company.



## II.—REPORT [or "Notes of Findings," as drawn up by Mr. HUGH ROSE," and adopted] by the Committee in reference to the Company's Hospitals and Schools, to the Company of Merchants of the City of Edinburgh, October 1874.

The Committee (Mr. THOMAS J. BOYD dissenting from the fourth Recomendation, and also from the Report in so far as it relates to James Gillespie's Trust) beg to report that they are of opinion, and recommend to the Company as follows:—

1. That it is most desirable that the number of Foundationers prescribed by the Provisional Orders should be maintained; and with that view it be recommended to the Governors that due Advertisement be made of the date and conditions of elections to Vacancies, so that all having vested rights, and desirous of making application, may have an opportunity of doing so.

2. That the capital of some of the Hospitals appears to have been encroached upon more or less in carrying out the changes sanctioned by the Provisional Orders; and it is desirable that the amount encroached upon, as the same shall be ascertained and fixed by the Accountant, Mr. Macandrew, should, now that the Schools are established, be refunded by annual instalments,—in the case of Stewart's Hospital of £250 per annum, and in Watson's Hospital of at least £200 per annum. That, as regards the Accounts of the Merchant Maiden Hospital, the Committee beg to report that they find them in a satisfactory state. As to Gillespie's Trust, reference is made to a subsequent recommendation.

3. That the Educational Establishments connected with Watson's, Merchant Maiden, and Stewart's Hospitals should be so arranged as to preserve intact the rights of those entitled to election as Foundationers, and so as not to encroach upon the capital; and, with the view of preventing encroachment, the Committee recommend to the Company to suggest to the Governors, that before issuing the Prospectus of the Schools for each Session, there should be prepared for their guidance an estimate of the Income and Expenditure for the ensuing year, including the amount of instalment towards refunding capital.

4. That in admission to the Merchant Company Schools, a preference should be given *(first)* to children and grandchildren of Members of the Merchant Company; and *(second)* to the Children of families connected with Edinburgh, Leith, and suburbs.

5. That the Committee recommend to the Merchant Company to ask the Governors of George Watson's and the Merchant Maiden Hospitals to consider seriously as to establishing at least one Industrial School (in terms of the Provisional Order), as soon as the expected increased revenue will admit.

6. That the expenditure of James Gillespie's School shall, in the future, be so restricted as to leave intact the entire revenue (exclusive of the income strictly belonging to it) for the purposes contemplated by the Founder of the Hospital.

7. That the Committee find that the Capital Fund of the School has been wholly, or to a large extent, absorbed by the carrying out of the present School. That, in the meantime, and now that the Education Bill for Scotland has become law, and until it is resolved as to the future arrangements for the continuance or discontinuance of the School, a rent of £200 should be charged against the School for the use of the building formerly Gillespie's Hospital, crediting the School Account yearly with its proper revenue, if any.

8. That James Gillespie having by express terms in his Trust Deed, prohibited "Out-pensioners" on his Estate, and as the observance of this obligation of the Trust would secure that the Foundationers personally enjoy the benefits intended for them, it is the duty of the Governors to provide a suitable house or houses for such Foundationers. That, therefore, it be recommended to the Governor's of James Gillespie's Hospital immediately to consider as to the establishment of such a house or houses, either according to the system of English Alms Houses, or

otherwise, for the accommodation of the Foundationers. That it should not be compulsory on the present Foundationers to remove to such House; and that, in respect Legacies have been left to the Hospital other than that of James Gillespie, and that these may be fairly held to be free from his restriction, it should be in the power of the Governors to admit a limited number of Out-pensioners.*

9. That in future the accounts of the various Institutions connected with the Merchant Company should be made up so as to show distinctly the Income and Expenditure of each Institution, and each department thereof; shewing also, as hitherto, the operations and results upon the Capital Funds of the various Institutions.

*Humbly reported.*

J. CLAPPERTON,
(Master of the Merchant Company), *Convener.*

* NOTE.—The words of Mr. Gillespie's Will are as follows, viz.:—"And as the intention of this Hospital is to be as extensively useful as possible, none are to be admitted into it who have an allowance from any other charity; and Out-pensioners are not to be admitted on any account."

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